Siphoning off of World Bank aid for RCH Project

3884. SHRI C. M. IBRAHIM : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the report captioned "Beg borrow and squander" published in The Hindu dated 20th December 1999, which speaks of a report by a Punjab NGO Insaf International, on the alleged fraud in the execution of a World Bank funded Reproductive Child Health (RCH) project bringing out glaring instances of siphoning off of a large part of Rs. 16.62 crores of World Bank Fund;

(b) if so, whether any probe into the reported deal has been made; and

(c) if so, the findings thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) Yes Sir. The news item refers to the alleged misutilisation of funds allocated for the World Bank assisted Reproductive and Child Health Sub-Project in the Sangrur district, Punjab. The report emphasises non-observance of proper procedures for purchase of medicines and equipment.

(b) and (c) The State Government conducted an inquiry and cancelled the supply orders placed for equipment and supplies. No payments were made in respect of these supply orders. Further investigations are in progress by the Vigilance Bureau, State Government of Punjab.

Pay Scale of Assistant Director (Handicrafts) and Handicrafts Promotion Officer

3885. SHRI BRATIN SENGUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Fifth Central Pay Commission did not consider the upgradation of pay scale of Assistant Director (handicrafts) and of Handicrafts Promotion Officer in the Ministry of Textiles with the plea that Handicrafts Marketing Service Extension Centre located in various parts of the country be transferred to the respective State Governments;

(b) if so, the details thereof,